

Remarks

Claims 108-193 were pending in the application and all of the pending claims were rejected by the Examiner. Claims 108-153 and 172-193 have been canceled and claims 154-171 have been previously presented. As the amendments simply cancel some claims the amendments do not require any further search or consideration and materially reduce the issues for appeal and the claim amendments should accordingly be entered. Claims 154-171 are the pending claims and claims 154, 166 and 170 are the independent claims after entry of the amendment.

Initially it is pointed out that the Applicant submitted IDSs and 1449s on September 19, 2003 and April 5, 2004 and have not yet received signed and initialed 1449s back from the Examiner. The Applicant would hope that the Examiner has considered all the references and just not yet provided the signed and initialed 1449s. However, Applicant requests confirmation/clarification from the Examiner. That is, the Applicant requests that the Examiner forward the executed 1449s associated with references already considered. If the references have not yet been considered, Applicant respectfully requests the Examiner consider the references and supply the executed 1449s.

Independent claim 154 is directed to a method for delivering targeted advertisements to a subscriber with video that the subscriber selected to receive from a video on demand system. The method includes selecting the video and determining available advertisement opportunities in the selected video. Advertisement profiles defining advertisement traits and intended target market traits for an associated advertisement are received. A first set of advertisements capable of being delivered with the video is selected by comparing the advertisement traits and the available advertisement opportunities. A second set of advertisements that are of interest to a subscriber is selected by comparing the intended target market traits and some combination of a subscriber profile that defines traits associated with the subscriber, household demographics, traits associated with the selected video, or traits associated with previously selected videos. Targeted advertisements are selected and include a subset of advertisements that are part of both the first set of advertisements and the second set of advertisements. The selected video and the targeted advertisements are delivered to the subscriber and presented to the subscriber on a viewing device. An alternative advertisement that is a shortened version of the targeted advertisement is presented when the subscriber fast-forwards or skips the targeted advertisement.

It is respectfully submitted that none of the cited references disclose or suggest a method as recited in independent claim 154. For example, none of the cited references disclose or suggest an alternative advertisement that is a shortened version of the targeted advertisement being presented when the subscriber fast-forwards or skips a targeted advertisement. On page 2 of the Advisory Action, the Examiner asserts that *Hite et al.* discloses "channels with default preemptable or conditionally preemptable commercials include appropriate CID code (col. 6, lines 40-59). The default commercial can be substituted by another ad (col. 7, lines 28-30)." The Examiner further states that *Hite et al.* discloses that one commercial is simultaneously placed on all networks so that when a viewer changes channels he or she will receive the commercial uninterrupted. The Examiner relies on *Logan et al.* to teach an alternative advertisement that is a shortened or condensed version of the targeted advertisement. The Applicant respectfully submits that rejection is erroneous and should be withdrawn.

Initially the Applicant submits that the prior art, either alone or in combination, fails to teach providing an alternative advertisement when the subscriber fast-forwards or skips an advertisement. *Hendricks et al.* is provided to disclose a method for delivering targeted advertisements and fails to teach or suggest providing alternative advertisements or more specifically alternative advertisements when a subscriber fast-forwards or skips an advertisement. *Hite et al.* discloses a method for delivering targeted advertisements including providing an alternative advertisement for substituting and providing the advertisement on multiple channels and fails to teach or suggest providing the alternative advertisement when the subscriber fast-forwards or skips the advertisement. *Logan et al.* discloses an Internet audio exchange system that enables a user to skip from subject to subject and fails to teach or suggest providing an alternative advertisement when the subscriber fast-forwards or skips an advertisement.

Furthermore, *Hite et al.* can not be modified by *Logan et al.* as proposed by the Examiner. *Hite et al.* is directed to a television for delivering targeted advertisements in which multiple copies of the targeted advertisements are delivered to the subscriber, forcing the subscriber to view the advertisement even if he or she changes the channel. *Logan et al.* is directed to an Internet system for delivering an audio program to a subscriber with the ability to skip program segments enabling the subscriber to more easily find interesting segments. There is no way to incorporate the teachings of *Logan et al.*, mainly an Internet audio system that

enables skipping of unwanted material, into the system of *Hite et al.* without destroying *Hite et al.*

Moreover, there is no motivation to combine the teachings of *Logan et al.* with *Hite et al.* On page 16 of the Office Action, the Examiner alleges that the teachings of *Logan et al.* would be used "in order to reduce time to view content" but is unclear as to why in *Hite et al.* that it is desirable to enable a subscriber to view a targeted advertisement in a "reduced time".

Furthermore, none of the references, either alone or in combination, teach an alternative advertisement that is a shortened version of the targeted advertisement. As admitted by the Examiner in page 16 of the Office Action, neither *Hendricks et al.* nor *Hite et al.* disclose or suggest an alternative advertisement that is a shortened version of the targeted advertisement. The Examiner alleges that in *Logan et al.* music without an announcement is equivalent to a shortened advertisement. The Applicant respectfully submits that this allegation is erroneous. In *Logan et al.* a subscriber receives content from the Internet and the content is preceded with a brief announcement that "the subscriber may request that announcements be suppressed during continuous play and/or that the beginning of each musical segment be played instead of identifying announcements". In other words, the subscriber selects the format in which the audio is played. This differs from providing an alternative advertisement when the subscriber selects to fast-forward or skip the advertisement, enabling the advertisement to retain value when the subscriber wishes to skip viewing the advertisement. Thus, clearly *Logan et al.* fails to teach or suggest an alternative advertisement that is a shortened version of the targeted advertisement.

Moreover, there is no indication in any of the references that the content can be fast forwarded, and even assuming that there was, displaying an alternative ad instead of a fast-forwarding ad would not save any time as suggested by the Examiner as the motivation for combining the references.

For at least the reasons discussed above, it is submitted that claim 154 is patentable over the cited references. Claims 155-165 depend from claim 154 and are submitted to be patentable for at least the reasons described above with respect to claim 154 and for the further features recited therein. Independent claims 166 and 170 are system and computer program claims respectively. These claims are submitted to be patentable over the cited references for at least reasons similar to those advanced above with respect to claim 154. Claims 167-169 and 171

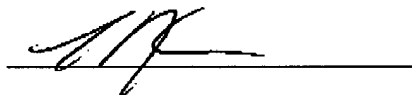
depend therefrom and are submitted to be patentable over the cited references for at least the same reasons as the claims they depend from and for the further features recited therein. Accordingly it is submitted that claims 154-171 are patentable over the art of record.

**Conclusion**

For the foregoing reasons, Applicant respectfully submits that claims 154-171 are in condition for allowance. Accordingly, early allowance of claims 154-171 is earnestly solicited.

If the Examiner believes that a conference would be of value in expediting the prosecution of this Application, the Examiner is hereby invited to contact the undersigned counsel to set up such a conference.

Respectfully submitted,



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